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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 8, 2010

Raymond Heaton
40 North 200 West
Alton, Utah 84710

Subject: Notice of Intention Not Needed, Heaton Livestock Company, Heaton Livestock Mine, Unpermitted Operation, Kane County, Utah

Dear Mr. Heaton:

On August 16, 2010 the Division of Oil, Gas and Mining received your application for a Notice of Intention to Commence Small Mining Operations to mine gravel in Kane County. Under the mining rules, gravel is unique in that, depending on its origin and state, it may or may not need to be permitted by the Division. Division inspector John Rogers inspected your site to determine if a permit would be required in accordance with R647-1-106. Under this rule, mining operations do not include the extraction of sand, gravel and rock aggregate.

By rule definition:

Gravel is a naturally occurring unconsolidated to moderately consolidated accumulation of rock and mineral particles, the dominate size range being between 2mm and 10mm which has been deposited by sedimentary processes.

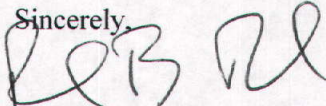
Rock aggregate means those consolidated rock material associated with a sand deposit, a gravel deposit or a sand and gravel deposit that were created by alluvial sedimentary processes. The definition of rock aggregate specifically excludes any solid rock in the form of bedrock which is exposed at the surface of the earth or overlain by unconsolidated material.

Based on Mr. Rogers' inspection, it was determined that the deposit was gravel and rock aggregate by definition and the quarry would not need a permit from the Division. You may still need to be permitted by Kane County, and you should check to see what local ordinances require.

Page 2 of 2
Raymond Heaton
September 8, 2010

Enclosed with this letter is your original permit fee check in the amount of \$150.00. If you have any questions about permitting requirements or other aspects of this letter, please contact me at 801-538-5261 or John Rogers at 801-538-5349.

Sincerely,



Paul B. Baker
Minerals Program Manager


CPR 7004 2510 0004 1824 7128

PBB:jreb

Enclosures: Check # 1807

P:\GROUPS\MINERALS\WP\M025-Kane\SGRA\Heaton Livestock Mine - no permit\final\no permit required-09082010.doc

Form MR-
(Revised 5/01)

THE ROCKING 'H' RANCH RAYMOND V OR ALLIDA T HEATON PO BOX 100002 435-648-2124 ALTON, UT 84710		01-90	1807
Date <u>8/17/10</u>		97-177/1243 6	
Pay to the Order of <u>Dept of Natural Resources</u>		\$ <u>150.00</u>	
<u>One hundred fifty and no/100</u>		Dollars	
	State Bank OF SOUTHERN UTAH	P.O. BOX B ORDERVILLE, UTAH 84758 (435) 648-2216	
For <u>Nine applications</u>		ORIGINAL CHECK ROUTED TO ACCOUNTING <u>Raymond V. Heaton</u>	

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NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

Note on confidentiality: Information provided in the notice of intention relating to the location, size, or nature of the mineral deposit that is clearly marked confidential will be protected as confidential. Each page or map requested to be kept confidential must be stamped or marked as such. The requested confidential information must describe how the confidential material relates to the location size or nature of the mineral deposit; provide a written claim of business confidentiality; and/or include a concise statement of reasons supporting the claim of business confidentiality, unless disclosing the location of explosives or historic, prehistoric, paleontological, or biological resource that must be considered confidential under statute.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

Received
8/23

I. GENERAL INFORMATION (Rule R647-3-104)

- Name of Mine: Heaton Livestock Mine
- Legal name of entity (or individual) for whom the permit is being requested: Heaton Livestock Co
Mailing Address: Po Box 100773
City, State, Zip: Alton Utah 84710
Phone: 435 648 2124 Fax: 435 648 2124 Call First
E-mail Address: rockinh@altonutah.net

Type of Business: Corporation ☒ LLC () Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Or:
Individual ()

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 87-02-76386

If no, contact www.commerce.utah.gov to renew or apply.

Local Business License # _____ (if required)

Issued by: County _____ or City _____

From: Paul Baker
To: Bailey, Vicki; Jackson, Marie
Date: 9/8/2010 2:05 PM
Subject: Refund

On August 23, we received an SMO application and permit fee for Raymond Heaton. He does not need a permit--he plans to mine sand and gravel--so we need to refund his permit fee.

His taxpayer identification number is 87-0276386. I don't know if this TIN is for him as an individual or for a company; I assume the latter. The names and address on the check are The Rocking H Ranch, Raymond V or Allida T Heaton, P. O. Box 100002, Alton, Utah 84710. 435-648-2124.

Let me know if you need any more information to get this going. Thank you.

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
801-538-5261
Fax 801-359-3940